

1 AN ACT concerning children.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Children's Savings Accounts Act.

6 Section 5. Findings. The General Assembly finds that
7 investments in children's education, homeownership, and small
8 business development and entrepreneurship are made possible by
9 family savings, but the family savings rate is at the lowest
10 level since the Great Depression. Illinois has the lowest
11 homeownership rate in the Midwest. Fewer than a third of
12 Illinois households have a checking account, and fewer than 60%
13 have a savings account. The rising cost of post-secondary
14 education decreases access to higher education for low-income
15 and moderate-income Illinoisans, and post-secondary education
16 is beyond the reach of many Illinois families. Increasing the
17 number of Illinois families saving for post-secondary
18 education for their children will increase the number of
19 children who will attain higher education, and increased
20 educational attainment levels will generate a more competitive
21 workforce, more jobs and innovation, more savings and
22 investment, stronger communities, and a thriving State
23 economy. The General Assembly also finds that a savings program

1 tied to financial education can improve family financial
2 responsibility and encourage saving for education,
3 homeownership, small business, and entrepreneurship.

4 Section 10. Public policy. It is the policy of the State to
5 encourage families' savings, to increase families' financial
6 knowledge, to promote higher educational aspiration and
7 attainment, to encourage home ownership, to assist small
8 business development, to promote job creation, to strengthen
9 communities, and to increase asset building opportunities for
10 all residents.

11 Section 15. Children's savings account task force. There is
12 hereby created a Children's Savings Account Task Force. The
13 purpose of the task force shall be to review and make
14 recommendations about children's savings account program
15 options and to create a strategic implementation plan to create
16 a savings account at birth for every child born in Illinois to
17 Illinois residents. The task force shall consist of a maximum
18 of 25 members, to be appointed within 60 days after the
19 effective date of this Act. One member shall be appointed by
20 the President of the Senate, one member appointed by the Senate
21 Minority Leader, one member appointed by the Speaker of the
22 House, and one member appointed by the House Minority Leader.
23 All other members shall be appointed by the Governor as
24 follows:

1 (1) A member of the Governor's leadership staff to
2 serve as co-chairperson of the task force.

3 (2) Public members with an interest in asset building
4 in Illinois, including a representative from each of the
5 following types of organizations/entities:

6 (A) an operator of an individual development
7 account or matched savings and financial education
8 program, or both;

9 (B) a grassroots organizing entity;

10 (C) a poverty law center;

11 (D) a service-based human rights provider
12 organization;

13 (E) a business association;

14 (F) a bankers professional association;

15 (G) a child advocacy organization;

16 (H) a rural economic development entity;

17 (I) organized labor;

18 (J) a bank;

19 (K) a credit union; and

20 (L) an investment services provider.

21 The Governor shall designate one of the public members to
22 serve as co-chairperson. In addition, the following officials
23 shall serve as ex-officio members of the task force: (i) the
24 State Superintendent of Education or his or her designee; (ii)
25 the Secretary of Financial and Professional Regulation or his
26 or her designee; (iii) the Director of Commerce and Economic

1 Opportunity or his or her designee; (iv) the Secretary of Human
2 Services or his or her designee; (v) the Director of Healthcare
3 and Family Services or his or her designee; (vi) the Executive
4 Director of the Board of Higher Education or his or her
5 designee; (vii) the Executive Director of the Illinois
6 Community College Board or his or her designee; and (viii) the
7 Director of Children and Family Services or his or her
8 designee.

9 The Office of the State Treasurer shall be responsible for
10 administrative and logistical support of the task force,
11 including coordination of task force member appointments,
12 distribution of meeting notices and minutes, coordination of
13 meeting logistics, providing a staff liaison to the task force,
14 facilitation of public meetings as well as drafting and filing
15 of the final report. Task force members or the staff liaison,
16 or both, may confer and collaborate with relevant State and
17 national organizations with expertise in asset building,
18 financial education, college savings, investing, home
19 ownership, and small business development, including the
20 Illinois Asset Building Group.

21 Goals of the program shall include increasing the levels of
22 financial literacy and savings in the State, increasing the
23 number of Illinois children who own assets and who attend
24 post-secondary education or training, purchase a home, or open
25 a small business. The task force shall consider the following
26 factors in its recommendations for the design of the program:

1 (1) Return on investment, safety of the investment and
2 insurance for the account, ease of managing the account,
3 and ease of making various forms of deposits.

4 (2) The impact on eligibility for student financial
5 aid, public assistance, and other public benefits, and
6 taxation of the account earnings and distributions.

7 (3) The provision of financial education to child and
8 family, and access to additional financial services.

9 (4) Restrictions on the withdrawal or distribution
10 prior to the child reaching age 18, portability of the
11 account, and limits on permissible uses of the account.

12 (5) Revenue sources for the initial deposit and any
13 savings match for deposits for children in low-income
14 families.

15 (6) Mechanisms for data collection and tracking.

16 (7) All other factors that the task force deems
17 important to the program design.

18 The task force shall hold at least 4 public meetings at a
19 variety of geographic locations throughout the State at times
20 and places established by the task force. The purpose of the
21 public meetings is to gather information from community
22 residents and institutions, families with children, financial
23 education providers, schools, and local financial services
24 providers. The initial meeting of the task force shall be
25 called by the co-chairs and held no later than 30 days after
26 the task force members are appointed. The activities of the

1 task force shall conclude no later than September 1, 2008.

2 Section 20. Report and implementation plan. The task force
3 shall make a written report of its findings and
4 recommendations, including a strategic implementation plan for
5 an Illinois children's savings account program, as well as make
6 any additional reports deemed necessary and appropriate to the
7 Office of the State Treasurer no later than September 1, 2008.
8 On or before November 1, 2008, the Department shall present all
9 reports issued by the task force to the Governor and members of
10 the General Assembly. The reports shall be made available to
11 the public.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.